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The Contra Fight

How CIA-Aided Raids In Nicaragua in '84 Led Congress to End Funds

But Officials Help Insurgents Raise Private Funds Here; The Role of Rep. Boland

Scaring Exxon's Ships Away

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Armed speedboats and a helicopter launched from a Central Intelligence Agency "mother ship" attacked Nicaragua's Pacific port, Puerto Sandino, on a moonless New Year's night in 1984.

A week later the speedboats returned to mine the oil terminal. Over the next three months, they laid more than 30 mines in Puerto Sandino and also in harbors at Corinto and El Bluff. In air and sea raids on coastal positions, Americans flew—and fired from—an armed helicopter that accompanied the U.S.-financed Latino force, while a CIA plane provided sophisticated reconnaissance guidance for the nighttime attacks.

The operation, outlined in a classified CIA document, marked the peak of U.S. involvement in the four-year guerrilla war in Nicaragua. More than any other single event, it solidified congressional opposition to the covert war, and in the year since then, no new money has been approved beyond the last CIA checks drawn early last summer.

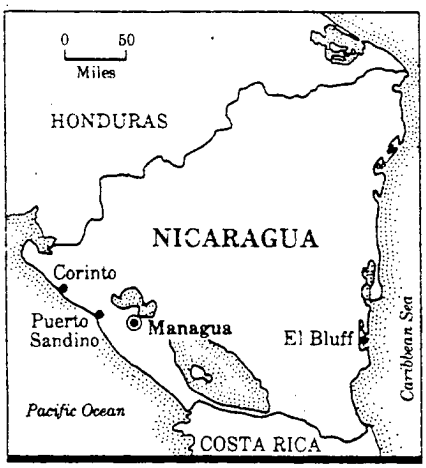
Fund-Raising Help

U.S. officials are quietly helping the insurgents raise private funds to keep alive the Contra program the CIA began to finance in 1981. As he throws himself personally into the fight, President Reagan faces broad public opposition to U.S. involvement in efforts to topple the Sandinista regime. The level of private contribution so far—between $5 million and $10 million—can't match the support formerly provided by the CIA. And in Honduras, a guerrilla base throughout the war, the Tegucigalpa government nervously awaits a new congressional vote on funding this season.

The rise and fall of the CIA's Nicaragua "project" is a story of war abroad and conflict at home. In the absence of a clear administration policy, congressional personalities came to play a decisive role, and the fight took on an institutional significance for Congress that made it the most emotional debate on any foreign-policy issue since Vietnam.

The mining operation in 1984 symbolized a larger military escalation that never had firm political backing at home. It yielded a propaganda victory for Nicaragua, and in Congress it left a legacy of mistrust that haunts the CIA and covert operations today. The congressional oversight process was damaged by misleading testimony and news leaks, and the bipartisanship that had governed the two Intelligence Committees since their founding fell apart.

The administration decisions leading to the mining of the oil terminal had their roots in the spring and summer of 1983. "Everybody saw that these guys [the Sandinistas] were in the process of consolidating the revolution," an administration official says. "And we needed to stop it." Yet



a June assessment by the CIA and other U.S. intelligence agencies was highly skeptical of the Contra insurgency, and in late July the House voted for the first time to cut off CIA funding for the program.

A Slipped Cover

Against this background, Duane Clarridge, then head of the CIA's Latin American division, met with Contra leaders in Honduras in July. He traveled under the code name of "Mr. Maroni," but his cover slipped a bit when the CIA base commander, a gruff, likeable military man, addressed him by his nickname "Dewey." Edgar Chamorro, a former Contra leader, remembers being bemused at the logic of an American named Dewey Maroni.

Mr. Clarridge sought to boost spirits by stressing President Reagan's personal interest in the guerrillas' progress, but his underlying message was a call for change. "He told them, 'You have to be more like guerrillas, you have to swim in the sea of the people,' " a U.S. official says. And Mr. Chamorro remembers Mr. Clarridge's mentioning that the Americans were willing to sink ships to stop the arms flow.

As the CIA assumed greater control of the war in 1983, the agency moved on two, sometimes conflicting, tracks. It sought to build the insurgency into a stronger grassroots guerrilla movement. Yet, increasingly impatient with the pace of the Contras, it wanted to make quick, direct attacks against Nicaragua with forces recruited elsewhere in Latin America and trained and financed by the U.S.

Contra leaders say the CIA training improved their forces, but the insurgents resented what they regarded as CIA interference in their operations. At the same time, CIA paramilitary officers were upset by the ineffectiveness of the Contras. A bridge at Corinto was repeatedly targeted, for example, but missions failed. As the insurgency force grew—doubling to about 15,000 during 1983—the CIA began to use the guerrilla army as a cover for its own small "Latino" force. Guerrilla radio broadcasts gave credit to the anti-Sandinista movement, but the raids were carried out now by non-Nicaraguans from such countries as Bolivia and Ecuador.

Increasingly, economic targets were picked by the Americans, and the most celebrated attack, by armed speedboats, came Oct. 11, 1983, against oil facilities at Corinto. Three days later, an underwater pipeline at Puerto Sandino was sabotaged by Latino frogmen. The message wasn't lost on Exxon Corp.'s Esso unit, and the international giant informed the Sandinista government that it would no longer provide tankers for transporting oil to Nicaragua.

The CIA's success in scaring off a major shipper fit well in its mining strategy. Mr. Clarridge, who studied at Columbia University's Russian Institute, told a member of the Joint Chiefs staff that the scheme came to him from his knowledge of mining tactics in the Russo-Japanese War.

The weeks before the January 1984 mining operation were among the darkest for the administration in Central America. The Salvadoran elections had been postponed from December to March, and even as the mining began, the CIA was planning covert financial and political support to head off right-wing candidate Roberto d'Aubuisson.

The mother ship used in the mining operation is described by sources as a private chartered vessel with a configuration similar to an oil-field service and towing ship with a long, flat stern section where helicopters could land. To conceal the ship's identity, the CIA is believed to have changed the ship's name regularly; the agency may also have repainted the ship

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during a February break in the operation. The ship used in the mining was larger than an earlier version that launched the October attack on Corinto, and the CIA wanted the larger size to accommodate a second helicopter.

A CIA document recounting the operation lists two helicopters, both believed to be Hughes 500s; one was flown by CIA-supervised Nicaraguans, the other by Americans. A Fairchild Merlin IV, a twin-engine propelier plane equipped with forward-looking infrared radar, flew offshore in international airspace. Some of the speedboats, armed with mortars and machine guns, were converted from smuggling boats confiscated by the U.S. Drug Enforcement Administration.

The second helicopter gave the CIA better command and control over the operation but also heightened U.S. involvement. At least once before, an American helicopter had entered Nicaraguan airspace to extract a Latino commando, but in the 1984 raids, the U.S. pilots directly fired on Nicaraguan positions, according to the CIA document, interviews with U.S. officials, and Sandinista military records.

Ships Hit

Administration officials still express surprise and some annoyance that insurance firms like Lloyds didn't increase rates high enough to stop shipping to Nicaragua. Late in March the speedboats fired around Corinto in a further effort to scare off cargo vessels. "This was the largest display of weapons fire ever to occur at Corinto," the CIA reported later, adding that the operation served to warn cargo vessel crews of hazards of being in Nicaraguan ports.

Though the threat posed by the explosives—some as large as 300 pounds—was later played down, at least five international ships hit mines, and the CIA reported serious damage to a Dutch dredger and Cuban freighter and the sinking of at least four smaller Nicaraguan patrol boats.

The mining ultimately hurt the administration's own policy, and despite President Reagan's authorization of the operation, there is still debate among his advisers as to how thoroughly the move was considered. Two administration sources say that Secretary of State George Shultz was surprised by news reports of the mining, probably because he missed a discussion of the program by a top-level committee of the National Security Council. Other State Department officials remember the mining only as one item on a list of covert operations.

"It was neither illegal nor immoral, but it was incredibly destructive," contends a U.S. official who supports the Contras. "It was perfectly clear that it would involve third parties whose ships would be hit. It couldn't have been better designed to undermine our policy."

This impact was immediate in Congress, yet from the outset, the administration had underestimated the depth and character of the opposition it faced. Just as Mr. Casey symbolized the CIA, Rep. Edward Boland came to stand for his Intelligence Committee and the House. A former county registrar of deeds, the Massachusetts Democrat instinctively avoids confrontation. His 1982 legislation forbidding U.S. funding to overthrow the Sandinista regime was intended as a warning to the administration. In challenging Mr. Boland, the CIA provoked a man whose alliances and credibility in Congress made him uniquely able to defeat the agency.

Highly Placed Friend

The personal background of Mr. Boland's friend and former Washington roommate, Speaker Thomas O'Neill, added to the emotion of the debate. Rep. O'Neill's late aunt had been a Maryknoll nun, and Maryknolls working in Nicaragua today visit him in Washington. Among his boyhood friends was a Marine who was wounded while serving with the American force that occupied Managua a half century ago. "I remember him talking about the poverty he saw," says Mr. O'Neill. "Everything we did was for the protection of American industry down there."

Congressional opposition was quietly encouraged by senior career CIA officials who were unhappy with the program and the risk of damage to the agency. Congressional scrutiny focused on the size of the insurgency and the U.S. command and control. In the Senate, a secret staff report in early 1983 raised major questions about the direction of the program, and while reporters were fascinated with the details of operations, members tended to look more at management and total numbers.

"The thing that impressed the committee the most was the regular and constant increase in the number of Contras being supported," says a senior Democrat. "The members didn't pay as much attention to the activities as to the numbers."

Journalists' Role

This distinction reflects an ambivalence in the congressional process. The committees wanted to be kept informed, but above all they hoped to avoid embarrassment. They initially gave some license to the CIA, but this trust broke down as Mr. Casey sought to limit information, presumably as a way to limit opposition.

When reporters were first allowed to travel with the insurgents in early 1983, their stories brought the war home and embarrassed House supporters. They saw the CIA as further manipulating information on a supposedly "secret" war. Much the same reaction came in the Senate when the mining operation was revealed a year later, and the situation became so poisoned that the CIA sometimes fed different information to the two panels in an effort to track increasing news leaks.

From Mr. Casey's standpoint, Congress got cold feet. Legislators had initially approved the paramilitary program, the CIA complained, and then abandoned it when it became a political embarrassment. But even some agency officials concede that Mr. Casey, in his pique toward Congress, may have been his own worst enemy.

For all sides, the public disclosure of the controversial psychological warfare manual last fall represented a low point. Democrats seized on the issue in the last weeks of the presidential campaign, and to cut its losses, the administration conducted a quick investigation. Relatively junior officers in the CIA were disciplined for what was seen as a management disaster, and the agency's morale was badly hurt.

The more lasting question that troubles both supporters and critics of the program is what happens to the Contras now. Supporters don't want to abandon the Contras, dooming their movement to failure. But many fear that they can't succeed without U.S. intervention. "You're either going to be in a position of saying 'Bye, Bye Birdie' or 'Here Come the Marines' " says a Senate Democrat.

For now the program is surviving on private contributions raised with the help of American officials. Adolfo Calero, a silver-haired opposition leader and Notre Dame graduate, travels seeking contributions from wealthy conservatives and others. He is helped in small ways by the administration. "Adolfo Calero has been introduced to people in various countries who are sympathetic to the cause of democracy," says a U.S. official confirming the U.S. fund-raising help. "These people have decided, after being introduced to him, to contribute. Mr. Calero then provides them with information."

Enrique Bermudez, the military commander of the U.S.-backed Fuerza Democratica Nicaraguense said at a press conference yesterday in Washington that the Contras would keep fighting even if Congress doesn't renew funding, but he said the group would "adapt to the situation" by decentralizing its forces and avoiding large operations. He also said the FDN would seize territory inside Nicaragua and declare a shadow government if that would convince Congress to loosen the purse strings.

Mr. Calero estimates that more than $5 million has been raised privately since CIA funding was cut off. He says a Washington law firm is researching the possibility of selling private bonds to finance the war. The private funding compares with the estimated $1.2 million the CIA had been pro-

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viding monthly. The guerrillas don't have enough supplies or transportation to mount sustained operations. "Until that changes, they are going to be a northern-Nicaragua guerrilla movement," says a U.S. official. There also is the danger that Honduras and Costa Rica, worried that the U.S. won't protect them against attacks by the well-armed Nicaraguan army—will cut deals with the Sandinistas and close their borders to the Contras.

Despite President Reagan's appeal for renewed funding, there is uncertainty among the Contras themselves. "I realize that democracies operate in peculiar ways," Mr. Calero says. "There is not a single voice. . . . Right from the start, we knew there was the danger of a cutoff. I don't feel betrayal as such."

In his home in Key Biscayne, Mr. Chamorro, the former Contra official, says bitterly: "We were just the front. I felt we were manipulated, used as a figurehead. It's like a book that you are reading but only they know the last chapter."

At CIA headquarters in Langley, Mr. Clarridge has been transferred to head the prestigious European division. His jeep, still carrying a bumper sticker extolling the U.S. invasion of Grenada and one proclaiming, "Nicaragua Next," has a place out front now, but a colleague says agency officals asked him to back it in its parking place so the stickers wouldn't be seen.